



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved August 19, 2013
JULY 15, 2013

The Electric Utility Commission (EUC) convened in a regularly scheduled meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Chair Bernie Bernfeld called the meeting to order at 6:03 p.m.
Commissioners in attendance: Bernie Bernfeld, Chair; Karen Hadden, Vice Chair; Clay Butler, Shudde Fath, and Linda Shaw. (Dr. Varun Rai was appointed to the Commission on June 27 and will be eligible to participate upon submission of required paperwork to the Office of the City Clerk. There is one vacant position on the Commission.)
Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Ann Little, J.J. Gutierrez, David Wood, Jim Collins, Jeff Vice, David Kutach, Fred Yebra, Cathy Foster, Stephen Leinweber, Gerard MacCrossan, Tim Kisner, Leslie Libby, John Umphress, and Toye Goodson Collins of Austin Energy; and Gage Loots of the Purchasing Department.
2. **APPROVAL OF MINUTES** – **The motion to approve the minutes of the June 17, 2013 meeting, by Vice Chair Hadden and seconded by Commissioner Fath, passed on a vote of 5-0.**
3. **CITIZEN COMMUNICATIONS:** Ruby Roa, representing the Ladies of Charity, spoke regarding low income residents' inability to pay reconnection fees and in support of recommendations by Texas ROSE on disconnection and reconnection fees. Lanetta Cooper, representing the Texas Legal Service Center and Texas ROSE, also spoke in favor of Texas Rose' recommendations which includes ending reconnection fees.

NEW BUSINESS – CONSENT ITEMS

Commissioners pulled Items 4 and 5 for discussion and recommended approval of Items 6-12 on consent. Votes are noted below.

4. Authorize award and execution of a 12-month requirements service agreement with NESCO, LLC, for the rental of aerial devices and digger derricks in an amount not to exceed \$200,000, with two 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$600,000. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Shaw, passed on a vote of 5-0.**
5. Authorize award and execution of two 24-month requirements supply agreements for the purchase of high voltage air switches for Austin Energy with: ROYAL SWITCHGEAR in an amount not to exceed \$697,250 with two 24-month extension options in an amount not to exceed \$697,250 per extension option, for a total contract amount not to exceed \$2,091,750, and with MORPAC INDUSTRIES, INC. in an amount not to exceed \$606,000, with two 24-month extension options in an amount not to exceed \$606,000 per extension option, for a total contract amount not to exceed \$1,818,000. The annual amount for all high voltage air switches required under these contracts will be for a total combined amount not to exceed \$651,625. **The motion to recommend approval, by Chair Bernfeld and seconded by Commissioner Shaw, passed on a vote of 5-0.**
6. Authorize award and execution of a 24-month requirements supply agreement with W-S INDUSTRIAL SERVICES, INC. for condenser tube cleaning services for Austin Energy in an

amount not to exceed \$255,506 with two 24-month extension options in an amount not to exceed \$255,506 per extension option, for a total contract amount not to exceed \$766,518. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**

7. Approve ratification of a contract with AFFILIATED POWER SERVICES LP to provide repair services for the Heat Recovery Steam Generator at Austin's Energy's Sand Hill Energy Center in an amount not to exceed \$729,014.85. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**
8. Approve ratification of Amendment No. 3 to the contract with GRUENE ENVIRONMENTAL CONSTRUCTION LLC, for an emergency response to and remediation of a diesel oil release at the Decker Creek Power Station in an amount not to exceed \$260,000, for a total revised contract amount not to exceed \$1,767,615. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**
9. Authorize award and execution of a contract with CAPP, INC., for the purchase of heat exchanger plates for Austin Energy's District Cooling Plant #2 in an amount not to exceed \$66,630. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**
10. Approve ratification of a contract with JOHNSON CONTROLS, INC. for the repair of a York® Ice Chiller at one of Austin Energy's Downtown District Cooling Plants in an amount not-to-exceed \$197,036. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**
11. Authorize negotiation and execution of an agreement with Austin Children's Museum, to provide a performance-based incentive for the generation of solar energy at its facility located at 1830 Simond Ave., Austin, Texas 78723, for an estimated \$7,811 per year, for a total amount not to exceed \$78,118 over a 10-year period. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**
12. Authorize award and execution of a contract with GREENBELT SOLAR for the purchase and installation of solar photovoltaic (PV) systems for four residential duplexes in the Guadalupe-Saldana Net Zero Energy Community, in an amount not to exceed \$68,500. **The motion to recommend approval on consent, by Chair Bernfeld and seconded by Commissioner Fath, passed on a vote of 5-0.**

OLD BUSINESS

13. Discussion and possible action on recommendations for topics of discussion by the Council Committee on Austin Energy – Larry Weis, General Manager, introduced a list of topics to be discussed by the newly-formed Council Committee on Austin Energy and requested input by the EUC regarding topics. Commissioners requested additional time for consideration.
14. Review and acceptance of the Fiscal Year 2012 Austin Energy Annual Performance Report – **The motion to approve the report with additions and corrections, by Chair Bernfeld and seconded by Commissioner Shaw, passed on a vote of 5-0.** Corrections and additions are as follows: p. 40, change "Rd" to "Rod"; p. 40, add data on the Unit 2 outage; and in the "Clean" section (p. 6-22), add language relating energy efficiency and renewables to emissions reductions.

15. Quarterly Report and Fiscal Year 2014 Austin Energy Budget Work Session – Ann Little, Chief Operating Officer; David Kutach, Director, Financial Planning & Budget; and Cathy Foster, Director, Corporate Accounting & Rates, presented the Quarterly Report and answered questions regarding the report and in relation to the utility’s proposed budget.

ITEMS FROM COMMISSIONERS

16. Discussion and possible action on Line Extension Fees (Bernfeld, Fath) Commissioner Fath distributed her memo dated July 15, 2013, listing the history of Austin Energy’s Contribution in Aid of Construction or Capital Recovery Fees. She supports reinstating such fees to obtain revenue that doesn’t come from existing customers. Mr. Weis told the Commission the new Council Committee would discuss the topic at their August 13 meeting. Chair Bernfeld requested an update on that discussion. No action was taken.
17. Discussion and possible action on Disconnection and Reconnection Fees (Bernfeld, Hadden) Vice Chair Hadden distributed the following draft resolution and moved approval. Commissioner Shaw seconded the motion.

WHEREAS, Austin Energy has a reconnection fee of \$25.00, but also has a same day service fee of \$55.00, that most other utilities do not have, and
WHEREAS, the same day service fee is unwarranted since a large percentage of Austin Energy customers now have advanced meters that can be used to switch electricity on or off without a trip to the site; and
WHEREAS, a same day service fee imposes further economic strain on those already having difficulty in paying for electric service, and may lead to the further consequence of having refrigerated groceries going bad and causing a family to be without safe food to eat; and
WHEREAS, of the ten utilities examined in the Austin Energy / Lloyd Gosselink July 12, 2013 memorandum to the Electric Utility Commission, only Pedernales Electric Cooperative, Oncor and CenterPoint had any same day service fee. It is only \$3.10 to reconnect with Oncor and \$5.30 for same day reconnection, for a total of \$8.40, nearly ten times less than Austin Energy’s fees, and similarly, same day reconnection with CenterPoint Energy was much less expensive, with a standard reconnection at \$9.00, but a same day reconnect fee of \$34.00,
NOW THEREFORE, BE IT RECOMMENDED BY THE ELECTRIC UTILITY COMMISSION TO CITY COUNCIL THAT:
The City Council, the City Manager and Austin Energy immediately discontinue the same day service reconnection fee.

Lanetta Cooper addressed the Commission urging the policy be consistent with PUC rules in relation to timing of the payment.

J.J. Gutierrez, Vice President, Customer Care, and Kerry Overton, Deputy General Manager, answered questions.

Hadden offered the following amendment: “That Austin Energy immediately discontinue same-day reconnection fee and set up timelines for how soon service would be restored in accordance with or better than PUC rules.” Chair Bernfeld offered the following amendment to the last paragraph: “The City Council, the City Manager direct Austin Energy immediately discontinue the same day service reconnection fee and establish same day connection if payment is verified prior to 4:00 p.m. Payments verified after 4:00 p.m. will be recon by close of business the following day.” Commissioners agreed to delete the second paragraph. **The motion to approve the resolution failed on a vote of 2-0-3 with Chair Bernfeld and Vice Chair Hadden voting for and Commissioners Butler, Fath and Shaw abstaining.** As requested by the Commission, Austin Energy will provide additional information regarding timing of reconnections and payments at the next meeting.

18. Discussion and possible action on issues related to nuclear generation (Hadden, Shaw) – Cheryl Mele, Chief Operating Officer, answered questions. No action was taken.

FUTURE AGENDA ITEMS

19. Request agenda items, including information related to the Upcoming Procurements Report – Chair Bernfeld requested continuation of the discussion on disconnection and reconnection fees; Commissioner Fath requested continuation of the discussion on line extension fees and a discussion on franchise fees; Vice Chair Hadden requested additional answers to questions regarding STP; and Commissioner Butler requested a continuation of the discussion on topics for the Council Committee on Austin Energy.

ADJOURN – Chair Bernfeld adjourned the meeting at 8:30 p.m. without objection.